

Massena Management, LLC  
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Uniondale NY 11553  
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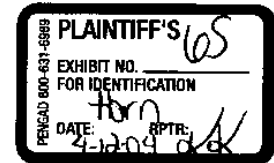
Ivan Kaufman  
Chief Executive Officer

January 14, 1998

The Honorable Edward D. Smoke, Jr.  
Chief Executive Officer  
St. Regis Mohawk Tribe  
Community Building Route 37  
Hogansburg, New York 13655

Re: Commencement of Construction of St. Regis Casino

Dear Chief Smoke:



As you are aware, it appears that the National Indian Gaming Commission has approved the Fourth Amended and Restated Management Agreement dated November 7, 1997, between the St. Regis Mohawk Tribe and President R.C.-St. Regis Management Company. Therefore, we would like to begin the process of obtaining some initial tribal approvals as required in the Management Agreement.

The Management Agreement in Section 6.2 provides that the Manager has the authority to supervise the construction of all "the development, improvements, and related activities with regard to the Tribal Gaming Operation" according to the terms and conditions of the Management Agreement. The Tribe, however, must approve the architect chosen by the Manager under Section 6.3 of the Management Agreement, as well as approving the terms and amount of the allowable costs and compensation of the general contractor under Section 6.4 of the Management Agreement.

We have chosen as architect the firm of Archon Design Ltd.. We hereby request the Tribe's approval of this firm by executing on the signature block provided below.

We have also chosen Anderson Blake Construction Corp. as general contractor for the Facility. The allowable costs and compensation of the general contractor are set forth on the construction contract enclosed with this letter, and amount to \$14,180,564.00. As you will note, the construction contract also includes the terms required by Section 6.4, namely:

- (i) construction of the Facility shall commence within ninety (90) days following the Effective Date;
- (ii) the general contractor shall exert his best efforts to complete construction within six (6)

- (iii) the general contractor shall warrant the construction to be free of defects and unworkmanlike labor for a period of one year subsequent to the date the architect certifies the facility is complete;
- (iv) preference in employment of qualified persons by the general contractor shall be extended in the following order of priority: First, members of Tribe; second, children and spouses of members of Tribe; and third, members of the Canadian St. Regis Mohawk Indian Tribe; and
- (v) other provisions for the protection of the parties which we, as the Manager, have deemed appropriate.

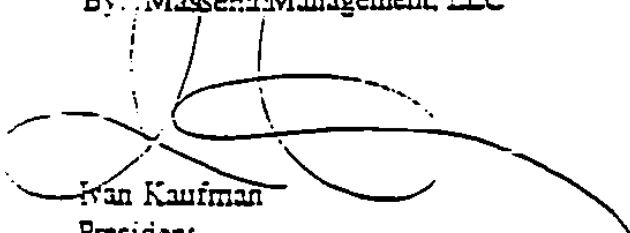
We hereby request the Tribe's approval of the terms and amounts of these costs and compensation of the general contractor by executing on the space provided below.

Please indicate your approval of both the architect and the terms and amounts of the costs and compensation of the general contractor by signing on the space provided below and return the duplicate of this letter directly to the attention of the Manager at the above address. ~~In addition, as provided in Section 2.5 of the Management Agreement, please provide the Tribal resolution which supports your authority (or that of another tribal officer) to execute the approvals and/or consents required from the Tribe or its designated officers under the Management Agreement.~~ *leg*

If you have any questions, please do not hesitate to call Walter K. Horn, Esq., at (516) 832-7405.


Very truly yours,

President R.C. St. Regis Management Company  
By: Massena Management, LLC

  
Ivan Kaufman  
President

Accepted and Agreed to this 14<sup>th</sup> day of Jan, 1998.

By:

  
Name: Edward D. Smere  
Title: Chief Executive Officer